

AGENDA PAPER

Item Number: 4.7
Date of Meeting: 12th August 2008
Subject: APES 330 *Insolvency Services*

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Purpose

The Board to consider the preliminary draft of APES 330 *Insolvency Services* and provide feedback to the taskforce.

Background

APS7 Statement of Insolvency Standards was issued in March 1998. The statement was issued to provide members with the basic principles governing professional responsibilities to be exercised in the conduct of insolvency practices. Traditionally the practice of insolvency has been complex and varied and this complexity has increased significantly in the last 10 years.

The Insolvency Practitioners Association of Australia (IPAA) has developed a Code of Professional Practice for Insolvency Professionals which was issued in May 2008. The stated purpose of this initiative was to provide stakeholders in the insolvency profession, including the community generally, with a practice that adheres to a system of regulation in which insolvency practitioners are held to standards of loyalty, avoidance of conflicts, independence and impartiality. Given that some members of the professional accounting bodies are involved in providing insolvency services, it is important that ethical standards issued by APESB are broadly consistent with the requirements of bodies such as the IPAA.

Thus the Board approved the creation of the APES 330 Insolvency Services taskforce in February 2008 to develop APES 330 which will replace APS 7.

Consideration of Issues

The taskforce has considered the IPA Code in the development of this exposure draft. The key areas that have been significantly redrafted are:

- Fundamental responsibilities of Members in Public Practice including marketing of professional services;
- Professional independence and conflicts of interests;
- Professional relationships; and
- Professional fees.

Staff Recommendation

Board consider the preliminary draft of APES 330 and provide feedback to the taskforce.

Material Presented

- Preliminary draft of APES 330 *Insolvency Services*;
- Comparison against the IPA Code;
- Principles of the IPA Code;

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Date: 5 August 2008